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F.C.C. Tells N.B.C. To Return Station

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WASHINGTON, July 29—

The Federal Communications Commission ordered the National Broadcasting Company and the Westinghouse Broadcasting Company today to exchange the television stations in Philadelphia and Cleveland that the two companies traded in 1956.

N.B.C. forced the original exchange on Westinghouse by "coercive use of its power to grant or withhold network affiliations" to Westinghouse stations, the commission said. It gave N.B.C. 60 days to complete arrangements for the exchange.

The commission's order imposes on N.B.C. an even more severe penalty for exertion of pressure on Westinghouse than that decreed by the Justice Department in the settlement of an antitrust action growing out of the same events.

The Justice Department, in 1959, ordered N.B.C. to rid itself of the Philadelphia station, through sale or exchange, without specifying the other party in the transaction.

N.B.C. had planned to terminate its ownership of the Philadelphia station, WRCV-TV, by exchanging it for a station owned by RKO General, Inc., in Boston.

This plan was blocked by the commission's decision today on the ground that N.B.C. had also been seeking a station in Boston at the time of the original Cleveland-Philadelphia trade in 1956.

Approval of the proposed Philadelphia-Boston exchange, the commission said, would permit N.B.C. "to retain the fruits of its misconduct and employ them as a means of gaining access to the Boston market."

The Justice Department apparently had no objection to the exchange of the Philadelphia and Boston stations.

In ordering the re-exchange of the Philadelphia and Cleveland stations, the commission made no mention of the disposition of the \$3 million that N.B.C. originally paid Westinghouse as part of the deal.

The reason for the payment was that the Philadelphia station was more profitable than the Cleveland one.

It appeared probable that repayment of the \$3 million would not be ordered, on the ground that N.B.C. had enjoyed ownership of the more profitable Philadelphia station for eight

Given 3-Year Renewal

As a technical matter, what the commission decided today was that N.B.C. would be permitted a renewal of its Philadelphia license for three years, conditional upon its making arrangements within 60 days to re-exchange that station for the Cleveland station.

The commission, in making its decision, also denied the competing application of the Philco Broadcasting Company for a license for the same channel, 3, in Philadelphia over which N.B.C. is operating WRCV-TV.

The commission said that Philco's application had been submitted, withdrawn and then resubmitted apparently not primarily because Philco wanted a broadcaster but because of interests the company has as a major manufacturer of broadcasting equipment.

Without Prejudice

The commission said it wished to make clear that it was not holding that Philco or the Ford Motor Company, which now owns Philco, lacks the basic qualifications to obtain a broadcast license.

The commission indicated its belief, however, that Philco had disqualifed itself for licensing on this channel because of its repeated applications and withdrawals. These occurred during various turns in a patent suit it filed against N.B.C. which was settled out of court.

The commission's decision in the case was by a 5-0 vote. Commissioner Lee Loevinger, former head of the Justice Department's antitrust Division, and Commissioner Kenneth A. Cox, who had handled the case while a member of the commission staff, did not participate.